



ILLINOIS COMMERCE COMMISSION

May 8, 2000

VIA: CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Dave Leppert, Vice President
Consumers Illinois Water Company
1000 South Schuyler Ave.
Kankakee, IL 60901

00 - 0337
00 - 0338
00 - 0339

ILLINOIS
COMMERCE COMMISSION
MAY 9 9 04 AM '00
CHIEF CLERK'S OFFICE

Re: Consumers Illinois Water Company Rate Proposals

Dear Mr. Leppert:

Barbara Rogers, Manager of the Hearing Division, has designated Erin O'Connell-Diaz and Sherwin Zaban as her representatives to review the proposals for approval of water rate increases for the Divisions of your company as set forth in your April 14, 2000 submission to the Commission.

The following is a list of deficiencies, possible omissions or inquiries which have been noted during the review of the filing:

Staff identified the following deficiencies during its Part 285 review of the Consumers Illinois Water Company ("Company") water rate filing:

**Schedule
Number**

Deficiency Explanation

The following deficiencies apply to all divisions:

- | | |
|--------------------------|--|
| Section 285.305
a) 2) | The Company provided the organizational chart meeting the requirements of Section 285.305 c), but not 285.305 a) 2), which should depict inter-company relationships. |
| Section 285.305
g) | The Company omitted this required summary of the depreciation study supporting Schedule C-1. (Note that many schedules in Section 285.305 were mislabeled by one letter, however Staff is able to work with the schedules as filed). |

**Schedule
Number**

Deficiency Explanation

B-1 Section 285.2005	Line 9, Columns C and E do not agree to Schedule B-8.1.
B-2.1-2.x Section 285.2015	The Company has not provided workpapers or references to such (subsections a) 4 and b).
B-9.2 Section 285.2090	The Company has not provided workpapers or described its accounting method for ITCs (subsections c and d).
B-15 Section 285.2200	The Company has not identified each addition separately; there is no provision to provide the net additions for the year (subsection b) 2-4).
C-4.1 Section 285.3030	The Company has not provided work papers explaining variances (subsection c).
C-8 Section 285.3075	The Company has not provided work papers of advertising programs and scripts supporting the total amount provided for Section 285.3095 (b) (5) (subsection C-8 d).
C-10 Section 285.3085	On Line 31, the Company omitted the docket numbers (subsection d).
C-11 Section 285.3095	The work papers do not include a description of direct payroll charged to each other item (subsection b)4).
C-11.1 Section 285.3100	The Company has not provided supporting work papers explaining variances. Work papers are included but are blank (subsection c).
C-12 Section 285.3134	The Company has not provided supporting work papers providing the assumptions used to derive the composite depreciation rate for the test year (subsection c).
C-16 Section 285.3165	Uncollectible expense is incorrect when using the percentage of revenue shown (subsection b).

D-1 Section 285.4010	The Company has not provided the data required in 285.4010(b)(2) & (3).
D-2 Section 285.4015	The Company has not provided the data required in 285.4015(d)(3)-(6).
D-3 Section 285.4020	The Company has not provided the data required in 285.4020(d)(4); 285.4020(e)(3) & (4); 285.4020(e)(5)(A), (C), (D), & (I); and 285.4020(e)(7).
D-4 Section 285.4025	The Company has not provided the data required in 285.4025(d)(2).
D-7 Section 285.4040	The Company has not provided the data required in 285.4040(a), (b), & (c) - if this information is not available for the utility, provide the information required in parts (b) & (c) for the utility's parent.
D-9 Section 285.4050	The Company has not provided the data required in 285.4050(c)(4)(H) & (I).
H-8 Section 285.8040	Line 9, Columns (C) through (F) are not cross referenced.

Kankakee Division

B-7 Section 285.2055	The Company has not provided project numbers or project descriptions (subsection b) 1-2).
B-7.1 Section 285.2060	The Company has not provided project numbers, project descriptions, or dates projects started (subsection b) 1-3).
B-7.2 Section 285.2065	The Company has not provided an AFUDC accrual rate or amount of AFUDC generated in its workpapers (subsection c) 5-6).
B-9.2 Section 285.2090	The Company states the detail was not available at time of filing. Provide all required information.
B-11 Section 285.2100	The Company has not provided the date of acquisition, expected in-service date, or expected use of property (subsection b) 2, 8, and 9).
B-12 Section 285.2105	The Company has not provided any of the required information, and instead references Schedule B-2.2. B-2.2 does not provide the

information required by Schedule B-12. Provide all required information.

- C-4
Section 285.3025 Page 4, Column (H), Lines 38, 39 and 49 are not mathematically accurate.
- C-11.1
Section 285.3100 Page 8, Line 21, Columns (E) and (F) mathematical computations have been omitted. Line 24, Columns (E) and (F) are not mathematically accurate due to the Line 21 omission.
- E-4
Section 285.5020 The Company has not provided the rationale underlying the proposed changes to the tariff, specific source of data or narrative supporting each rationale for change.
- E-5
Section 285.5025 The Company has not provided the current and proposed billing units for each rate schedule, each rate block, and each rate element [subsection (a)(3) and (b)(3)]. In addition, the Company has not provided the required information on public and private fire protection services.
- E-6
Section 285.5300 The Company has not provided revenues for each rate schedule and each block within a schedule whether changed or not [subsection (a)(2)]. The Company has not provided the calculations for each rate schedule showing the revenue calculation from add-on tax charges to recover governmental tax assessments on gross revenue, fire protection revenues by meter size, or any other add-on charges not covered otherwise. Note: include municipal tax in "Other" unless it applies to the utility's total service area. A footnote should indicate where municipal tax revenue is reported.
- E-9
Section 285.5315 The Company has not provided a bill comparison for commercial and industrial customers at the required increments (subsection b). In addition, the Company has not separately stated municipal tax charges, franchise fees and the fire protection charge for the largest municipality (subsection d).
- H-11
Section 285.8055 Page 6, Line 25, Column (D) is not mathematically accurate.
- H-14
Section 285.8070 The following pages contain mathematical errors which affect the foregoing computations on the same schedule: Page 5, Line 15, Columns (B) and (D); Page 14, Line 15, Column (B). Numerous rounding errors in the following Schedules: A-3, B-1, B-2.1, B-4, B-5, B-6, B-8.1, B-9, B-9.2, B-87, C-1, C-2, C-2.3, C-2.4, C-2.5, C-3, C-5, C-5.2, C-10, C-11, C-11.1, C-11.2, C-11.6, C-11.8, C-12, C-17, C-18, H-1, H-8, H-9, H-14, WP-C1, WP-C11

Vermillion Division

- B-7
Section 285.2055 The Company has not provided project numbers or project descriptions (subsection b) 1-2).
- B-7.1
Section 285.2060 The Company has not provided project numbers, project descriptions, or dates projects started (subsection b) 1-3).
- B-7.2
Section 285.2065 The Company has not provided an AFUDC accrual rate or amount of AFUDC generated in its workpapers (subsection c) 5-6).
- C-11.1
Section 285.3100 Page 8, Line 21, Column (F) mathematical computation is omitted.
- E-5
Section 285.5025 The Company has not provided the current and proposed billing units for each rate schedule, each rate block, and each rate element [subsection (a)(3) and (b)(3)].
- E-6
Section 285.5300 The Company has not provided revenues for each rate schedule and each block within a schedule whether changed or not [subsection (a)(2)].
- E-8
Section 285.5310 The Company has not provided the number of customers and water usage by meter size and class.
- E-9
Section 285.5315 The Company has not provided a bill comparison for commercial and industrial customers at the required increments (subsection b). In addition, the Company has not separately stated municipal tax charges, franchise fees and the fire protection charge for the largest municipality (subsection d).

Numerous rounding errors in the following Schedules: A-3, B-2.1, B-2.2, B-4, B-5, B-6, B-8.1, B-9, B-9.2, B-87, C-1, C-2, C-2.1, C-2.4, C-2.5, C-3, C-11, C-11.1, C-11.2, C-17, H-11, H-14

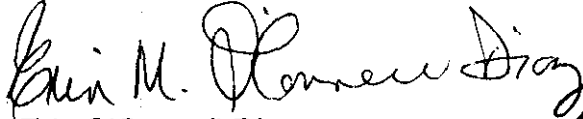
Woodhaven Division

- A-2
Section 285.1005 The Company has omitted the schedule.

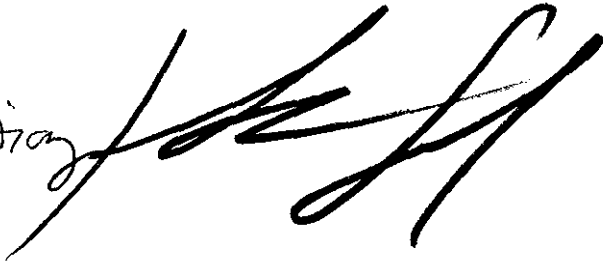
B-6 Section 285.2050	Schedule B-6, page 3 is incorrectly labeled as B- <u>5</u> , page 3.
C-4 Section 285.3025	Page 3, Columns (J) and (K), Lines 31, 33, 35 and 52 are not mathematically accurate.
C-4.1 Section 285.3030	Page 4, Line 13, Column (I) is not mathematically accurate.
E-5 Section 285.5025	The Company needs to revise the schedule to correct the proposed rate for unmetered residential and to correct the present and proposed rate for commercial 3 inch meter size.
E-6 Section 285.5300	The Company needs to revise the schedule to correct the proposed rate for unmetered residential and to correct the present and proposed rate for commercial 3 inch meter size. In addition, the Company has not provided add-on tax charges to recover governmental tax assessments on gross revenue.
E-8 Section 285.5315	The Company needs to revise the schedule to correct the proposed rate for unmetered residential and to include a separate bill comparison for commercial customers at the required increments (subsection b).
H-14 Section 285.8070	Page 14, Columns (E) and (G), Line 15 contain mathematical errors which affect the foregoing computations on the same schedule.
WP-C1	<p>Column (C), Lines 20, 26, 30, 32 and 39 are not mathematically accurate.</p> <p>Numerous rounding errors in the following Schedules: A-4, B-2.1, B-4, B-5, B-6, B-8.1, B-9, B-9.1, C-1, C-2, C-2.3, C-3, C-4, C-5, C-5.2, C-11, C-11.1, C-11.6, C-11.8, C-12, C-18, C-20, H-9, H-11, H-14, WP-C1, WP-C11</p>

Please forward copies of this additional information to the Manager of the Financial Analysis Division and us within 14 days of your receipt of this list of deficiencies.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Erin M. O'Connell-Diaz".

Erin O'Connell-Diaz
Sherwin Zaban
Administrative Law Judges

A large, stylized handwritten signature in cursive script, appearing to read "Sherwin Zaban".

EOD/SZ:jt

Enclosure

cc: Barbara Rogers
Gene Beyers
Donna Caton
Kathy L. Pape